

## AMERICARE HEALTH CARE ACT OF 2007

**OVERVIEW:** The AmeriCare Health Care Act ("AmeriCare") is a practical proposal to ensure that everyone has health coverage in our country. It builds on what works in today's health care system to provide simple, affordable, reliable health insurance. People would be covered under the new AmeriCare system, modeled on Medicare, or they would continue to obtain health coverage through their employer.

Using the administrative efficiencies within Medicare and building on the existing coverage people receive through their jobs today, we can create an affordable, efficient, and stable universal health care system in America – and guarantee access to medical innovation and the world's most advanced providers and facilities.

**STRUCTURE AND ADMINISTRATION:** Creates a new title in the Social Security Act, "AmeriCare." Provides universal health care for all U.S. residents, with special eligibility for children (under 24), pregnant women, and individuals with limited incomes (<300% FPL). Sets out standards for supplemental plans with a focus on consumer protection. Requires the Secretary to negotiate discounts for prescription drugs.

**BENEFITS:** Adults receive Medicare Part A and B benefits; preventive services, substance abuse treatment, mental health parity; and prescription drug coverage equivalent to the BC/BS Standard Option in 2005. Children receive comprehensive benefits and Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) coverage with no cost-sharing.

**COST SHARING:** There is a \$350 deductible for individuals, \$500 for families, and 20% coinsurance. Total spending (premiums, deductibles, and co-insurance) is capped at out-of-pocket maximum of \$2,500 individual/\$4,000 family, or 5% of income for beneficiaries with income between 200% - 300% FPL and 7.5% of income for beneficiaries with income between 300% - 500% FPL. There is no cost sharing for children, pregnant women, low-income (below 200% FPL). Sliding scale subsidies are in place for cost-sharing for individuals between 200% and 300% FPL.

### FINANCING

At April 15 tax filing each year, individuals either demonstrate equivalent coverage through their employer or pay the AmeriCare premium based on cost of coverage and class of enrollment (individual, couple, unmarried individual with children, or married couple with children). Employers may either pay 80% of the AmeriCare premium or provide equivalent benefits through a group health plan (the contribution for part-time workers is pro-rated). AmeriCare does not affect contracts or collective bargaining agreements in effect as of the date of enactment, and employers may choose to provide additional benefits. Employers with fewer than 100 employees have until January 1, 2012 to comply (employees of small businesses would still only pay 20 percent of the premium).